

**Hindrance to Women Participation & Success in Micro Finance:
The Case of Sheno & Feichae Wereda, in SFPI.**

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Declaration

I hereby declare that the thesis entitled ‘Hindrance to Women Participation & Success in Micro Finance: The Case of Sheno & Feichae Wereda, submitted by me for the partial fulfillment of the requirement for the degree of Masters of Arts in Rural Development to Indira Gandhi National Open University (IGNOU), New Delhi is my own original work and has not been submitted earlier to IGNOU or to any other institution for fulfillment of the requirement for any course of study. I also declare that no chapter of this manuscript in whole or part is lifted and incorporated in this report from any earlier work done by me or others.

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Certificate

This is to certify that Mr Anteneh Hailu Mengesha ,student of M.A(RD) from Indira Gandhi National Open University , New Delhi, was working under my supervision and guidance for this project work for the course MRDP-001.His project work entitled ‘Hindrance to Women Participation & Success in Micro Finance: The Case of Sheno & Feichae Wereda’ ,which he is submitting ,is the genuine and original work

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Thank you

List of Abbreviations

AC	Active clients
ACSI	Amhara Credit and Saving Institution
AEMFI	Association of Ethiopian Micro Finance Institution
DO	Drop outs
FGD	Focus group Dissection
HH	Household
MF	Micro finance
MFP	Micro finance program
MFI	Micro Finance Institutions
MFS	Micro Finance Services
NGOs	Non Governmental Organizations
ORS	Oromya Regional Sate
SFPI	Specialized Promotional Microfinance Institution
UNDP	United Nation Development Fund

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Definition of Key Terms

Active Clients: are those women who are at list participated in MF programs for two rounds

Dropouts: are those women who are drop out after the first round

Gender: refers to the socially determined ideas and practices of what it is to be female or male

Gender Relation: hierarchical relations of power between women and men that tend to disadvantage women.

Financial Product: refers to the loan size, term, interest rate, collateral requirement, usage restriction, repayment terms and prices.

Micro Finance Products: refers to credit and saving services

Abstract

The creation and the subsequent success of MF establishment in Bangladesh have triggered the proliferation of MF based services in the developing world including Ethiopia. Despite the fact that results are inconclusive, a bulk of the literature indicates that MF could help the poor, particularly poor women in many respects such as serving as a buffer against shocks and could work as an instrument of consumption smoothing. It could also help households to increase their income and assets; help them increase consumption expenditure and develop savings habits.

This study was conducted to investigate some of the hindrances that affect women participation in MFP taking a sample of 386 female/male beneficiaries from two categories, that is, active clients and drop outs that are participated in a MFP, delivered by SFPI. Using Statistical measurements of average/mean and cross tabulation, the study has found out that although the numerical representation of women in MF programs is dramatically improving, their sheer number alone doesn't guaranty their actual involvement and benefit from MF schemes. Furthermore, the gender imbalance witnessed at house hold and community level which is manifested by low level of participation in the decision making process; high work load and time poverty and limited ownership status in key productive resources such as land on the one hand and the service delivery mechanisms and MF products that don't sufficiently consider gender as an issue, on the other hand are found out to be among the factors that affect women participation in MFP.

Chapter One: Introduction

1.1 Background

Microfinance has come to play a key role in poverty reduction. It becomes an alternative source of finance for the poor particularly, women. As Chesten and Kuhn have explained “by giving women access to working capital and training, MF helps to mobilize women’s productive capacity to alleviate poverty and maximize economic output.” Additionally, investing in women has proven to be increasing the positive impact of MF programs since women are more likely than men to spend their income on household and family needs.

There are two key issues that MFIs need to consider. These are: addressing the financial needs of the poorest of the poor and to become financially/ operationally self-sufficient and provide services in a sustainable manner. Women represent the poorest section of any given society, thus, any arrangement that is going to be made by MFIs to balance the above two core issues will have a profound effect on their access to MFS.

In any given society, gender relations determine women access to and control over resources. In fact, when women access to benefit or services is poor, it will have a negative impact on their well-being. Poverty in their well being in turn contribute to low productivity in whatever fields of the economy that women are engaged in (Cagatay ,2001). In the same way, in a given society, the lesser the control of women over productive resources, the lesser their ability to utilize opportunities gained from benefits (ibid: 4).

Although, there are limited studies conducted on hindrances that affect women access to MF services, practical experience as well as different publications available in the area has indicated that women subordinate position in a society is the major hindrance for not accessing financial services.

Thus, it is of great importance to assess hindrances that are faced by women in accessing MF services in a variety of local contexts. Accordingly, an attempt is made in this paper to analyze those hindrances that affect women participation in MFS by taking the socio –economic and

cultural features of women/men and the institutional service delivery mechanisms and MF products of MFIs as a framework.

1.2 Statement of the problem and justification

In Ethiopia, government and non-government organizations have been involving in mitigating the problems of the poor by providing MF services. In reality, the greater part of the interventions tries to target the poor in which women constitute the majority (Aragw, 2004; Woldaye, 2003). Accordingly, the efforts that have been made in years has bear a fruit where in 2011; form the total number of people that accessed MF services, the share of women is reached almost 50% (the target is to reach 60-70%). This is above the African average, which is stood at 31% (AEMI, 2013).

Women constitute the majority of the poorest of the poor. A UNDP report (1995) has indicated that from among those 1.3 billion people living on less than 1 dollar a day, 70% of them are women. It is this fact that triggered the establishment and subsequent proliferation of MF services that targeted the poorest of the poor which women constitute the majority. In recognition of this fact, the share of women is not as such significant when it is compared to men.

The existence of sheer number of women in MF programs however, does not necessarily indicate whether women actually join the program by their own desire and wish or benefited from the program. Men may pressurize women to join the program (Oxall and Baden, 1997). Once the money arrives at home; men may use it for their own purpose. For instance, study by Goetz and Gupta in Bangladesh reveals that, about 63% of women loans are actually invested by male relatives; while women bear the formal responsibility for payment (Goetz and Gupta, 1994). Another study in Bangladesh again discovered that, of 140 loans made by ACTIOAID to women, about 50% were used for men's productive activities (ibid).

The MF industry as a whole is challenged by the need to reach the poorest customers (which women constitute the majority) and at the same time being financially self-sufficient. Although the industry as a whole is growing at a faster pace in Ethiopia (now involves more than 31 institutions and two million benefiteres (AEMFI, 2013), still the two critical questions of reaching

the poor which women constitute the majority and building a financially sustainable MF industry that walk on their own leg freely are always been in a paradox.

In spite of this, MF programs and institutions have become increasingly important safety nets of the poor, particularly for women. However, knowledge about the hindrances that women are facing in accessing MF services is limited, particularly in the case of Ethiopia. Limited studies has been made to identify some of the factors that affect women access to and benefit from MF interventions (Tseahye & Mengestu, 2002; Tseagye, 2005).In fact, most studies in relation to MF is focused on MFIs performance and its impact on poverty redaction.

1.3 Objectives and Research Questions

The general objective of this research is to identify and understand hindrances for women in accessing MF services by focusing on institutional and socio-cultural factors. Based on this, the study is tried to answer the following key questions:

- What hindrances are there for women in accessing MF services?
- Are the services provided by MFIs are compatible with women needs?
- Is the existence of sheer number of women in MF programs granites their access and benefit?

1.4 Significance of the Study

Even if women participation in MF has significantly improved in the last decade, women still lags behind compare to men. In addition, again compare to men, women for a variety of reasons quit early from MF programs .This is against the very purpose of the establishment of MF that is, addressing the financial needs of the poorest of the poor which women constitute the majority.

Thus, the findings of the study will have some contribution to identify the causes of the problems (factors) for women in accessing MFS and will provide more information that support policy makers and implementers to create better opportunity for women to benefit from MFP.

1.5 Scope & Limitation of the Study

The study is devoted mainly to the investigation and analysis of issues related to hindrances that affect the participation of women in MF scheme. Thus, the study is confined to the following areas: - analyzing institutional approaches to provide MF products in relation to women needs and investigation of socio- economic factors within a household vies, - a-, vies women access to MF.

As to the limitation of the study, the research is geographically confined to two woredas of ORS. It would have been preferable to include a statistically significant representative woredas in the study. However, due to constraints of time and resource as well as the issue of manageability, the researcher prefers to take two weredas as a case study.

1.6 Organization of the Paper.

The study is organized as follows: section one deles with the need for the study, its significance and limitations. Section two discusses the relevant literature as well as the conceptual framework of the study. Section three is looking at data and methodology; section four is devoted to the discussion of empirical findings and the last section, five includes conclusions and recommendations.

Chapter -2 Research Methodology and Design of the Study

2.1 Data collection

The study had employed data collection methodologies by using participatory, affordable, easy-to-understand and useful techniques. In doing so, stakeholders at family, community, wereda, as well as institutional / branch and head office / levels were consulted for their views, experiences, and inputs.

Data collection procedures

The data collection process started with the preliminary survey. Under this survey ,general and empirical figures of the existing status of women beneficiaries including their number in each of the sampled weredas were gathered. The purpose of the survey was to equip the researcher with general information about the research area and latter served as an input in the subsequent sampling tasks.

Then, pilot survey was conducted to test the validity and reliability of instruments. Finally, the actual data collection, with questionnaires and interview guidelines were administered to each of the respondents, focus group participants and key informants.

Data collection instruments

In order to achieve the objective in question, the following data collection techniques were used as applicable to local conditions:

- *Desk review*: the researcher had surveyed sources and available information in the contemporary research knowledge systems on gender relation; MF services and their compatibility with women needs ; statistical information regarding the targeted areas and the institution and previous studies on factors affecting women in accessing and controlling of resources. This helps to draw a good analysis of the socio-cultural and economic and institutional factors as well as the legal and policy frameworks with implications on gender issues and access to financial resources.

- *Quantitative survey*: The quantitative approach consisted of administering close-ended and semi close-ended questions .Data was compiled regarding gender relations, socio-economic and cultural situation and client’s response to the services provided by the selected MFI. Program beneficiaries, that is, men and women beneficiaries were the target of this method of data collection. General and Specific questions were designed for each type of stakeholders;

- *Qualitative survey*: This approach is designed in such a way that it can complement the information gathered through the quantitative approach and the desk review. The qualitative instrument is composed of a set of open-ended and semi-structured questions for key informant interviewees as well as focus group discussants;

- *Key informant interviews/KII*/: A series of semi-structured interview instruments that reflect the range of issues and questions contained in the study were designed. The questions were designed in such a way that it enabled the researcher to gather information from the following concerned bodies:
 - ✓ At institutional level :mangers, branch heads, loan officers and center heads;

 - ✓ At community level: elders, religious leaders, representatives of youth and women associations, micro enterprise and cooperative office representatives.

- *Focus group discussion/FGD*/: The focus group discussions were carried out for different stakeholders of the program. These were men and women members of the community who currently actively participate in MF programs and for dropouts. A total of four FGDs of which two for men and women active clients and the remaining two for men and women dropouts were carried out.

2.2 Sampling Design

A combination of non-probability and probability sampling techniques were employed to select the study areas, survey respondents and key informants and FGDs participants.

Selection of MFIs and Study Areas

Among the 31 MFIs presently operating in the country at the time of the study, one MFI namely, Specialized Financial & Promotional Microfinance Institution (SFPI) Share Company is purposefully selected on the bases of the research's own familiarity of the MFI and the nature of its intervention.

As far as the selection of the study weredas is considered, within the area of operation of the selected MFI, two weredas were selected by taking the concentration of women clients as well as being a rural weredas. Accordingly, Sheno & Fichea weredas were selected. Both weredas have mainly a rural character and to a certain extent shows a semi -rural feature.

Respondents Selection

The study has used two groups as well as categories of sample respondents – women and men beneficiaries and active beneficiaries and dropouts. Samples were divided as men and women to help the researcher to understand the gender relation and its effects in accessing resources including financial resources .It helped to see the effects of the way the services are delivered on men and women beneficiaries. Similarly, respondents were further categorized as active and drop outs for the purpose of analyzing their views towards the service provision of the sampled MFIs.

These categories of clients were randomly selected from the list of SFPI active and dropout clients found in the sampled weredas. The sample frame of the study is taken from the entire current (active participants of men and women in 2014) and previous clients found in the list of SFPI. Table -1, below shows distribution of clients as women/men and as drop out and active clients in the sampled weredas.

Table-1 distribution of clients as women/men and as drop out and active clients in the sampled Weredas

<i>Wereda</i>	<i>2013-2014</i>						<i>Total</i>		
	<i>Sheno</i>			<i>Fiche</i>			<i>Ma</i>	<i>Fe</i>	<i>Total</i>
	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>			
Active clients	1984.00	2273.00	4257.00	91.00	2457.00	2548.00	2075	4730	6805.00
Drop	495.00	468.00	963.00	84.00	90.00	174.00	579.00	558.00	1137.00

outs									
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The classification of sample respondents were arranged in such a way that help to see the Implication of different factors on women involvement in MF, the compatibility of MF and financial products with that of women needs. At list, 10 % from each category were selected and the result is divided proportionally between men and women .The selections of respondents were based on systematic random sampling techniques. Accordingly, from the total sampled 56-drop outs, 30 men and 26 female are taken and from 340 sampled active clients, 220 female and 110 males are taken as a representative sample.

2.3 Data Validation and Analysis

The collected data was edited, coded and entered into computer for completion and analysis. Following this, SPSS was used in the analyses of collected quantitative data. Statistical measurements of average and frequency were used as statistical measures to describe and summarize views of the different interviewees, to make inferences and reach to certain conclusions about the subject of the analyses. The data collected from secondary sources and the quantitative and qualitative data collected during the participatory assessment were analyzed and verified on the basses of the findings of the survey.

Tabular and graphic formats were used in the data presentation and summery along with sentences that describe the variables and parameters.

Chapter -3: Literature Review

3.1 Women and Micro Finance

✓ General overview

MF is the provision of financial services to low-income clients, including consumers and the self-employed, who traditionally lack access to banking and related services. The concept of MF is defined or elaborated by different researchers and organizations .In this regard, the International Labor Organization (ILO), 2000 defines it as “an economic development approach that involves providing financial services through institutions to low income clients”. Joshi, 2006 is defined MF as “The provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve their living standard”.

In the majority of cases, MFIs are seen engaged in provision of small loan for working capital, collateral securities such as group guarantees or compulsory savings, access to repeat and larger loans based on repayment performance, streamline loan disbursements and monitoring and secure savings.

MF as a concept was originated in Bangladesh in the 1970s with the objective of supporting poor women. From the time on wards, a number of diversified efforts have been exerted to support the poor through MF scheme. In fact, in countries of south Asia ,particularly in Bangladesh ,women take the lion’s share of the participants in the MF industry (Hulem & Moore,2003) .In Africa too ,on average more than 31% of the participants are women (AEMI, 2013) . In our case, Ethiopia, the participation of women in MF is reached around 50% (ibid).

It is an un-debatable fact that financial resources are key factors to improve women’s lives. Several studies show that the MF industry is contributing to poverty reduction and improving the standard of living of the poor. Because of access to credit, women are encouraged to take economic and entrepreneurial risks at 30% higher than men (Meehan, 2001).

Many poor people living in rural and urban areas, which women constitute the majority, possess some form of capital, ranging from land and property to skills. However, in poor countries, these

forms of capital have not been accorded the adequate economic value. This is due to the lack of legal protection, as the result of which, it can easily be taken or controlled by the powerful or dominant groups or even by the state. Due to this , the poor including women are not in a position to gain access to formal banking systems that require borrowers to furnish collateral to access loans (ibid).Furthermore, traditional banks are not generally interested in issuing small loans as the interest benefits do not exceed the transaction cost(-----Micro finance an innovative solution).

It is in recognition of this fact that the MF industry emerged to satisfy the financial needs of the poor, where, the majority of them are women. In fact, it is the existence of abject poverty of women that triggered the concept of institutional MF to emerge in Bangladesh in the 1970s. As Hashemi (1997) states that, Professor Mohamed Yunus, founder of the Grammen Bank explains:

“I felt concern at the patience earned by landless women after a long arduous days of work, laboring for other people .He reasoned that if this women could work for themselves instated of working for others ,they could retain much of the surplus generated by their labors ,currently enjoyed by others ”(cited in Hulme and Moore,2003).

Women face many challenges to access and benefit from the services provided by MFIs. Their position in the society makes them the majority of the poorest of the poor; their high level of illiteracy and lack of organizational experience prevents them to access to information's and most importantly, the unbalanced gender relation at household and community level deprived of their ability of decision-making.

Studies indicate that there exists a doubt whether MF is suitable for the poor, especially to poorer women. In most cases, the poor lives in subsistence economy and whether the poor prioritized credit before other services such as health and water is questionable (Mosley and Hume, 1998). Even when the chances are given to them, they prefer consumption loans because of their vulnerability to shocks. For the poor, improvement in economic security-income protection

rather than promotion is its first priority (ibid). Even if they need credit, they use it to maintain their fragile living condition that is dependent on subsistence economy (Mayoux, 2005).

Contrary to this doubt, there are those who argue that poorness by itself cannot be a hindrance for accessing financial resources. It is the method of service delivery of MFIs rather than the poorness that affect the poor in accessing financial resources. According to Jonson and Rogaly (1997), the poor can save as well as uses credit effectively if the proper approach and strategy is applied. They give their justification on the ground that the poor already save in ways that we may not consider it as normal, that is, saving-investing in assets, for example, that can be easily exchanged to cash in the future (gold, jewelry, domestic animals, building materials).

In recognition of this fact, today efforts are being made to provide financial services to the poor, particularly to women. For instance, it has been estimated that women comprise nearly 74% of the 19 million of the world's poorest people now being served by MFIs.

✓ *Women friendly MF products*

Designing a wide array of MF products/ financial products to clients is often suggested for practical reasons like market computation and client's preference (Rhyne, 2002). In most cases, the client's desert MF programs if they do not test much the service provided by an MFI. The reason is that providing diversified financial products would extent the outreach capacity of MFIs, in which the MFIs not only would reach significant number of clients to use the services, but also would protect the existing customers from desperation (Wright, 2003).

However, designing and providing a wide array of financial products require MFIs to posses the capabilities to manage the full range of activities involving in offering these products. Such capacities, among others, including -management information system and management time expertise (Brown, 2001). Besides, developing and providing financial development services are not an easy task and involves risks too.

Financial program development starts with defining a research issue and carrying out market research to find out clients want, moves on developing an initial product concept ,refine the concept with inputs from customers through focus group discussion and finally pilot testing the new products(Wright, 2003) . According to Legaer and Wood (1999), two key issues must be considered when institutions are prepared to provided financial services to low income people. These are:

- responding effectively to the demand and preference of clients , and
- designing products that are simple and can be easily understood by customers

Practical evidence indicates that it is a tedious and costly task for most MFIs to engage in developing a variety of financial products. In spite of this, there are women friendly methodological tools and MF and financial products that are developed and implemented to satisfy women clients need. The following are some of character of MF products that goes in line with women/poor women clients need:

Loan size: different experience shows that if the borrowers are poor and women, the loan size should be small (Mayoux, 2005)

Targeting - targeting a segment of society on the bases of gender and age differences can be an alternative to reach poor women clients. Loan size also serves as a mechanism to include the poor in MF programs. The better off clients may not be attracted when the loan size becomes small. Activity based targeting is also another alternative to address the financial needs of women (ibid). Focusing on small and livelihood activities increases the possibility of engaging women in MF programs.

There is also targeting on the bases of poverty incidence. However, measuring the incidence of poverty sometimes may not be suitable for women. Common indicators of poverty like land holding and oxen may exclude women since in most cases women, even if they have land and oxen they may not control it. Thus, adopting criteria such as mobile property like gold and other ornaments may suit to measure their level of poverty.

Collateral - with regard to collateral and women's preference, evidence has indicated that some women prefer individual loans. In many contexts, group formation has been problematic (Mayoux, 1997; Rink, 2006). Groups often discriminate very poor and disadvantage women. Furthermore, the time consuming nature of group meetings may discourage women to engaged in MF programs. The time consumed for group meeting should not be in contradiction with other activities, which a woman performs. (ibid).

With regard to asset collateral, most women prefer any assets purchased with loans to be registered in their names. This serves both as an insurance against default and as a means of increasing women's control over assets. This is the case in some programs including Grameen bank (Mayoux, 1997).

Loan purpose - Evidence has indicated that determining the purpose of loan use may help women to use their loan by themselves since the determined purpose (nature of the activity) may not invite men to engage in it (ibid :30). It also prevents loan use diversion for other purposes. Contrary to this, there is an argument that the poor including women know how to use credit effectively by themselves, thus, determining their area of engagement prior to loan disbursement may discourage them to involve in MF programs.

Saving - Saving can be made either compulsory or voluntary. It serves as collateral and selection criteria as well as sources of money to the credit provider. The capacity and willingness of the potential to save is one means of identifying the ability to shoulder debt. In other words, those of whom who do not have the potential to save but have the ability and willingness to work are excluded from taking part in credit programs (Mayoux, 2000). Furthermore, if the motive behind the lender is tilted towards covering its cost, the interest rate is probably high which is less benefit to women and leads to wastage of resources which otherwise are used to other productive activities (ibid).

Training - training is one of the non-financial services provided by MFIs. Different types of trainings are provided. Among these, vocational trainings, business development and gender related trainings are some of them. Trainings are provided to improve the capacity of both

potential and actual clients to engage in MF as well as to effectively use and manage the financial resources obtained from MFIs. Furthermore, trainings also serve as a selection criteria. In most cases, it is only those who participate in trainings are eligible to participate in MF programs.

However, using training attendances as selection criteria may potentially limit women involvement in the program. Evidence indicates that because women are stretched in meeting their reproductive and productive role, they may not have time to participate in the training programs. Besides, most women are unaware of their skills deficiencies, and therefore, they are unlikely to seek training voluntarily (ibid).

3.2 Micro Finance Approaches towards Women

The type of MF and financial products and the service delivery mechanism that a MF intervention adopts is basically determined by the value given, the purpose and objective behind each intervention. Whether the intervention is tilted towards addressing the financial need of the poor or achieving financial self sufficiency/sustainability does heavily affect the type and nature of the service delivered. This in turn affects women's ability and access to MF interventions as well as the reason behind targeting women and the appropriate intervention design.

There are three basic alternative approaches that a MF intervention adopts to target women beneficiaries. These are-

✓ *Poverty alleviation approach*

Poverty alleviation approach targets women on the basis of that women are the majority of the poorest of the poor and play a vital role in maintaining the household well being as well as have a contribution to empower women (Mayoux, 2005; Robison, 2001). In relation to gender policy, the poverty alleviation approach mainly focuses on increasing women participation in self help groups. Empowerment is seen as an increment of the well-being of women, the development of community as well as its self-sufficiency (Mayoux, 2005).

To realize this, it needs to have to adopt different instruments like small savings and loan provision; using peer group pressure as collateral and applying methodologies for poverty

targeting / and or operating in remote areas . Furthermore, additional complimentary services such as literacy and numeric training, health, nutrition and other technical assistance programs are provided to poor women to increase their chance to participate in MF programs and exploit the benefit gained from it. On the issue of subsidy, donor and government, funded credit should be subsidized and offered to borrowers at interest rates below market rates. (Robison, 2001; Mayoux, 2005).

✓ **Financial self - sustainability approach**

The basic idea behind this approach is that MFIs should be financially self sufficient in order to reach large numbers of poor people including women (Mayoux, 1999; Robison, 2001). This demands independent, self- sustaining, and growing MFIs, which operate on the bases of efficiency. One means of achieving this is targeting women .Providing credit to women makes MFIs to became efficient .This is because women have high repayment records ,cooperativeness, discipline and easily accessible. This makes them conducive to provide loan and recover debt (Cheston, 2002).Loan arrears and loan loss rates have an important effect on the efficiency and sustainability of MFIs.

As to the gender policy, the approach mainly focuses on facilitating the ground for equal access to women and men to MF. MFIs, which follow this, approach targets the entreapreneual working poor women on the basses of efficiency. It encourages self-employment, self-reliability, and individual initiative (ibid).

The approach uses such mechanism as setting of high interest rates to cover costs; program expansion to increase outreach and economics of scale and ways of using groups to decrease service delivery so as to achieving efficiency as well as financial self sufficiency (ibid).

✓ ***Feminist empowerment approach***

The approach in general is linked to the human right of women (Mayoux, 1999; Robison, 2001).It sees MF as an entry point for women's economic, social and political empowerment. It

further argues that, to achieve gender equality and maintain human rights, poorer women as well as alternative role models should be targeted.

According to this approach, creating gender awareness and strengthening feminist organization should be the main gender policy as well as instruments for accessing women in MF as well as making them to empowered. The underline assumption behind this argument is that women empowerment requires fundamental change in development agenda as well as explicit support for women to challenge gender subordination at the micro level (Mayoux, 2005).

3.3 Women Access to Micro Finance in Ethiopia

The development of MF institutions in Ethiopia is a recent phenomenon. The proclamation, which provides for the establishment of MF institutions, was issued in July 1996. Since then, various MFIs have legally been registered and started delivering MF services (Wolday, 2000).

In accordance with this proclamation, the government of Ethiopia issued additional proclamations to smoothly govern the proper functioning of MFIs operation. Proclamation No. 629/2009 that is focused on the licensing and supervision of MF business serves as the legal framework for the operation of MFIs.

Based on this legal framework, currently more than 31 MFIs are legally registered and provide services to the rural and urban poor (AEMFI, 2013). According to the proclamation, a MFI is established to carry out the following activities:

- Accepting both voluntary and compulsory savings as well as demand and time deposits;
- Extending credits for rural and urban farmers and people engaged other similar activities as well as micro and small-scale rural and urban entrepreneurs;
- Drawing and accepting drafts payable within Ethiopia;
- Micro-insurance businesses as prescribed by directive to be sued by the National Bank;
- Purchasing income-generating financial instruments such as treasury bills and other short term instruments such as the National bank may determine as appropriate ;

- Acquiring, maintaining and transferring any movable and immovable property including premises for carrying out its businesses;
- Supporting income generating projects of urban and rural micro and small scale operations;
- Rendering managerial, marketing, technical and administrative devise to customers and assisting them to obtain services in those fields;
- Managing funds for micro and small scale businesses;
- Providing local money transfer services;
- Providing financial leasing services to peasant farmers, micro and small-scale urban and rural entrepreneurs.

Even if the legal framework allows MFIs engaging in a variety of financial and non-financial activities, most of them are seen providing three or more kinds of services to their clients. Accepting both voluntary and compulsory saving, extending credits for individuals, groups, and other non-financial services like provision of training and business advice. In the beiger institutions like ACSI, wider and diversified service provision is observed. In this regard ACSI, for example, has been engaged in lending, saving, money transfer and pension fund management. (MFI, 2012).

The majority of these MFIs are working towards alleviating the financial need of the poor, specifically poor women. In fact, many of them stipulated the need for addressing poor women financial demand in their vision and mission statements as well as specific targeting criteria has and service provision methodologies. In this regard, for instance, one of ACSIs development goal is gender and women empowerment (ibid.).

Since 2011, 31 MFIs registered with the national bank of Ethiopia, have been serving 2.5 million borrowers with a portfolio of birr 7.1 Billion birr and mobilize 3.1 Billion birr in deposits (AEMFI, 2013). Most of the MFI in Ethiopia are young compare to MFI in the rest of Africa. However, the majority of them have achieved both financial and operational self -sufficiency. According to 2011 audited reports, 27 MFI were fully (average 119%) operationally self – sufficient, that is, they were able to cover all their operating costs with the profit generated from

their core MF operation. The analyses for financial self-sufficiency, taking into account adjustments for subsidies and inflation found that, on average, the MFIs were able to cover around 83% of their financial obligations (ibid.).

In general, the industry ability to maintain self-sufficiency has been achieved through large scale, low cost operations with low portfolio yield, low interest rate. However, question needs to be raised whether this achievement has been gained at the expense of targeting and addressing the poor. Besides, in a country like Ethiopia where there exist poor infrastructure and low population density, which in turn translate into high operational costs associated with expanding branches in remote areas; such an achievement needs to be questioned? (ibid)

The growing participation of women in these services, however, has been a gradual process. While MFIs have increased their efforts to provide credit to women and low-income clients, in Ethiopia, women constitute only 50% of those reached by microcredit in total (ibid) (MFIs in Ethiopia typically set goals of at least a 60-70 percent proportion of loans going to women (ibid.).

Even if there is lack of available disaggregated data at national level with regard to saving, number of active and dropout clients, average loan size etc, several studies indicated that women dropout rate is higher when it is compared to men. In terms of loan size, again, women received less amount of average loan size when it is compared to men.

In the majority of cases, loans are provided through group based mutual guaranty systems and carries a maximum loans ceiling of 5000 Birr. Starting from 800-1000 birr and passing at list five cycles of repayment successfully, an individual borrower can get around 5000 birr of the maximum loan ceiling. This level of loan ceiling targets those borrowers who are micro enterprisers.

This category of enterprisers, where the majorities are women, represents the population that need and seek financial capital. However, they have serious constraints to engage and benefit from MF interventions. The sources of their constraints emanates from two directions: - 1) the

nature of MF products and the delivery mechanisms 2) the socio-economic and cultural background of financial capital seekers.

With regard to MF products and the service delivery mechanism, loan size and group collateral are identified as problematic for some women in accessing MF services. A study conducted by ILO (2006) to support women entrepreneurs in Ethiopia has found that Women often start a business with their own money or money borrowed from family and friends with limited access to other forms of credit. It is a common belief that the smaller the initial amount of loan size, the more poor women will be attracted to borrow. Contrary to this, smaller loan size and lack of flexibility to adjust its ceiling makes women enterprisers remain tiny and uncompetitive (ibid.).

Arranging women in groups for the purpose of collateral, even if it has additional benefits (bring poor people together and share their norms and values), studies indicate that the existence of some problems particularly, for women. Group arrangement needs to be crosschecked against the socio cultural contexts of beneficiaries.

The women work burden, the nature of economic activity they are engaged in and the level of decision making at household and community level may vary from place to place. Women may not get sufficient time and authority to effectively participate in-group meetings. Paying the debt of the defaulters is also witnessed as major problem as well as source of conflict back in at home (ibid).

Socio -economic and cultural factors have a profound effect on the level of women participation in MF programs. In this regard, women identify various socio- economic and cultural factors in the literatures, which have an impact on the success of accessing MFP.

The studies are quick to point out that gender differences for instance in terms of unemployment ratios, economic activity, remuneration levels, women's political inclusion , impacts of polices for social inclusion and equity, educational attainment , gender specific obstacles in the start and management of enterprises, gender- gapes in performance or returns form entrepreneurship, gender differences in use and evaluation of public support services and mobility and decision

making power at household and at community level are among the many factors that determined the entry into access and benefit from MF services.

This hindrances caused by the gender imbalance commonly witnessed in a given society may discourage women from participating in MFP. Even if they get the chance, there is a high possibility to give the loan for their husbands and male relatives or engaging in joint venture with or without their interest. For example, while about 60 percent of MF clients in Amhara region are women, surveys indicate that only about 40 percent of women who receive MF actually use it on their own businesses. Another 55 percent use the credit in joint enterprises with their husbands (Bamlaku, 2006).

Low level of skill and knowledge observed among women enterprisers forced them to engage in traditional business areas like agriculture and petty trade. This type of activities performed in low-level scale and at same time demands small amount of loan. MFIs also support this same trend. For instance, MFIs like ACSI and BGMFI; in the majority of cases, they provide loans for on-farm and off farm activities. The off-farm activity include activities like production of cereals, vegetables and animal husbandry including goats and ships .The off- farm activity includes processing and manufacturing of food and beverages, poultry, weaving etc; petty trading and service like transport and barber (Degef, 2005and Mine, 2005).

3.4 Conceptual Framework

As the above literature review points out that socio- economic and cultural grounds as well as institutional approaches may have a profound effect in determining the nature of the hindrance for women in accessing MF services. In the service giving and taking process, there are different actors that pursue their own interest and in doing so, they may have found themselves in conflict among each other. In this regard, women and men beneficiaries, institutions and their staffs and government and donors are among the actors that interact in the process.

It is with this background and assumption that the study tried to apply an actor perspective approach of analyzing the MF development intervention from the perspective of women. The notion actor implies an entity that makes decision, act accordingly and monitor outcomes. These

entities may include individuals, state agencies, church organizations, associations and political organizations.

According to Long, seeing development intervention from the actor's perspective is an alternative to the structural predetermined modes of analyzing development (Long: 1999). Structural modes of development analyses such as modernization theory and political economy sees the sources of development and social change primarily emanating from the developed world and transferred to the undeveloped world through the state or international bodies. Furthermore, this type of models operates in line with the pre-determined set of issues and follow liner path towards achieving development (ibid).

It is a fact that social life is heterogeneous and within it, it holds a variety of social forms and cultural differences .Social actions are taking place in a day-to-day life of a society. Within it, there are different actors that pursue their own strategies and coping mechanisms. These actors reflect different reaction when they are exposing to a given development intervention. Even when they are exposed to the same and similar circumstances, they may respond differently. Such difference of strategies and coping mechanisms leads to the creation of different social forms (ibid).

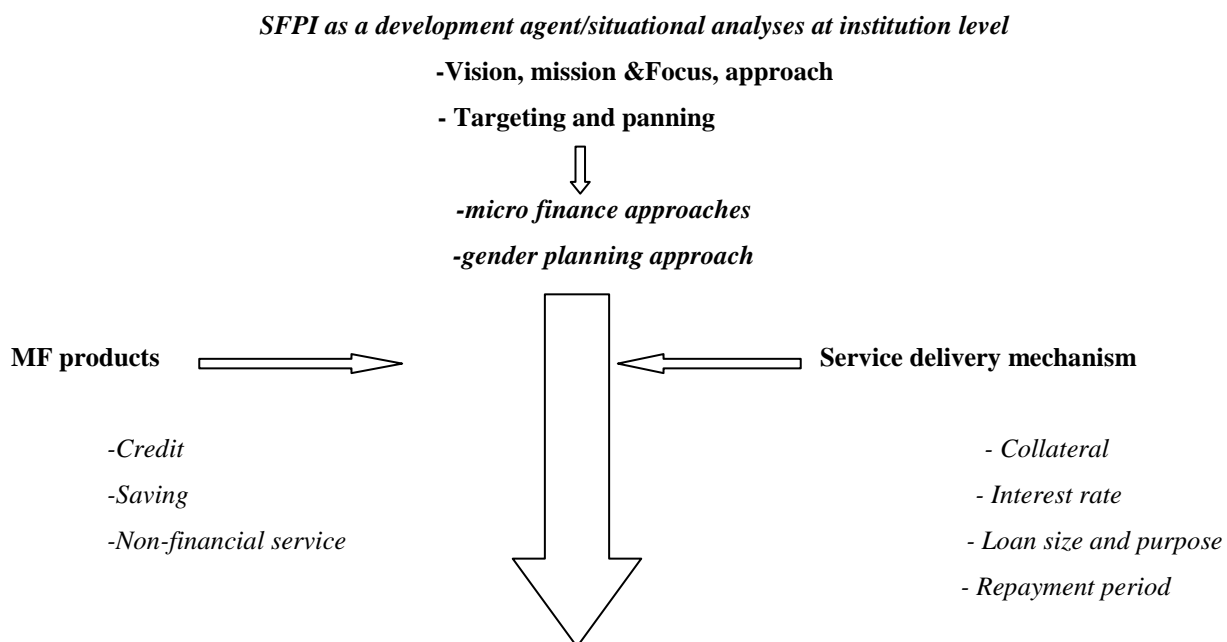
Thus, identifying the nature of heterogeneity as well as its sources and how it is transformed to other forms of social action will serve as an input to design a development intervention strategy that entertains a variety of actor's interests.

To identify the nature and type of heterogeneity, studying actor's knowledge and capability in perusing their interest is important. Actors have their own knowledge and capacity. They use their knowledge to accord meanings and purposes to their experience and desire. Again they use their capability to command relevant skills, access to resources of various kinds, and engaged in particular organization practices (Long, 1999).Their knowledge and capability, in turn, is determined by their day to day activity which is done either individually or in organized form, and is governed by their social conviction, values and power relations with other actors (ibid).

Analyzing development intervention from the actors perspective uses a detailed ethnographic (carefully observing and analyzing of people culture) understanding of everyday life of people as a tool (Long, 2002). In doing so , it paves the way for understanding the process by which images, identities and social practices are shared, contested ,negotiations and sometimes rejected by the various actor involved. The tool helps us to understand the causes of different responses of local actors (including both target and non-target populations) to planned interventions. Furthermore, it enables as to see how dominant thinking and approaches adopted, challenged and transformed (ibid).

Based on the aforementioned framework and in line with the set scope of the study, SFPI program is taken as a development intervention. Women/men clients are taken as an actor and as a development receiver and SFPI Share Company is taken as an actor and as a development agent. There is also an arena, which the interaction took place and is characterized by conflict, adoption of each other experience, negotiation and reconciliation between the actors involved.

Finally, there is outcomes resulted from the interaction of actors. The outcomes are manifested in two ways. Client’s satisfaction which is manifested in terms of continues participation in the program or dissatisfaction which expressed by drop out and defaulting. The conceptual framework is presented in the following diagram:



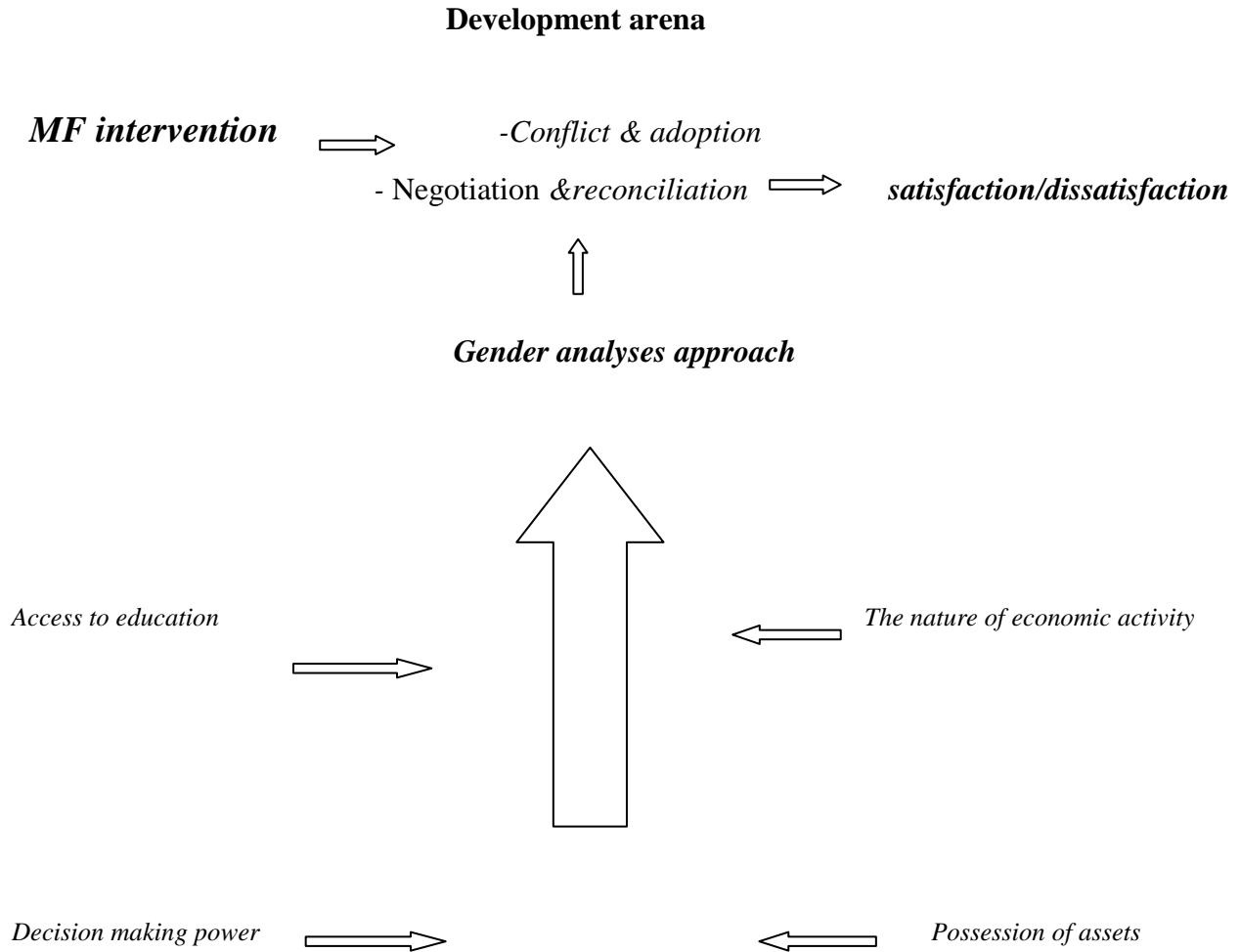


Figure -1 Conceptual framework

Sources: Own contraction

It is in the view of the above conceptual frame work that the study attempted to identify the hindrances that affect women access to MF.

To start with, both women and men clients have diversified socio- economic and cultural features. These features differ from one individual to another and women to men. Among those socio- economic and cultural features – gender differences in educational statues, gender

differences on possession of assets such as land and oxen, marital status, gender differences in the nature and diversity of economic activities that clients are engaged in and the level of decision making power within their households were analyzed in relation to their access to MF intervention programs.

To see the gender difference, gender analyses approach were used. The approach simple elaborates who gets what and how and who controls resources and benefitted from it.

With regard to the SFPI share company, which is taken as an actor and as development agent, it has its own motive and vision as well as preferred approach towards addressing the financial needs of women/men. Furthermore, it has designed different strategies and instruments as well as builds capacity to materialize its vision.

The institutional aspect of SFPI which include, the focus , approach and objective of the institution, outreach vies -a -vies sustainability/operational and financial self sufficiency, targeting, planning and the type of products and the service delivery mechanism and the nature of additional services provided were assessed from gender perspective.

To this effect, the MF approaches towards reaching /targeting women and the gender planning approach were used as a framework. The MF approaches simply elaborate the reason behind targeting women/men, whereas, the gender planning approach focused on consideration of gender issues in the planning process as well as the institutional capacity in terms of knowledge, attitude and systems for gender planning such as the nature and system of data gathering.

Chapter -4 Data Presentation and Finding of Analyses

4.1 Profile of respondents

Data on institutional aspects as well as socio-economic factors that affects women access to and control over resources was collected using survey based data as well as discussions /interviews with service providers and beneficiaries .

Seeing respondent's composition, a total of 326 women and men beneficiaries (active clients and drop outs) were selected and participated in the survey. From this, females (246) are representing 75.4 % and males (140) are representing 24.8 %. The majority of respondents are found in the age category of between 25 and 35 years (56.4%). From this, Female's average age is around 27 and male's average age is around 36. With regard to marital status, 81 %(264) of the respondents are married and the reaming 19 %(62) of respondents are singles (not married, widowed or divorcees').

4.2 Description of Sheno and Fiche Woeredas

Fiche and Sheno are neighboring weredas that are found in the north Showa administrative zone of ORS. A total of 357,869.00 people are currently residing in the two weredas. From this, women represent 51.7 % of the population, whereas, male represent 48.3%. Agro- ecologically, both weredas belongs to Dega (high land). Both weredas have their own local governments with a council and city governments runs by a Mayer.

The Majority of residents of both weredas rely on agriculture for their subsistence. Farming crops and animal husbandry are major sources of livelihood. Both weredas, especially Sheno is famous for its milk and Butter production.

There is strong trade link between the rural and urban kebeles. The urban dwellers receive milk and Butter that is produced form the rural keels and sold it at the local market or export to the neighboring big cities like Addis Ababa and Adam. Teff, Oats and Wheat are major crops produced in the weredas .Their proximity with Addis Ababa and other major cities, has gave

them an advantage in terms of accessing market and better infrastructural facilities. Two major highways are crossing the weredas.

4.3 Socio- economic and cultural factors that affect women access to Micro finance services.

In this section, efforts have been made to make a gender analyses so as to see the effects of the socio-economic and cultural features of clients on their participation in MF schemes. Accordingly, access to and control over resources (ownership of assets and the nature of decision making power at house hold and community level); division of labor; participation in local level organizations; the nature of economic activities clients are engaged in and educational status are given due emphasis.

Access to and control over resources

One of the manifestations of power imbalance between men and women in any society relates to the disparity in access to and control over resources. This has implication on women's decision-making power/ability both within the household as well as in community structures outside of the household. In light of this, for the purpose of this gender analysis, attempt has been made to find out about the status of women's access to and control over resources.

Access to and control over resources in the context of the targeted communities was looked into from two perspectives: ownership of assets and decision making in regards household expenditures.

Ownership of assets

Ownership was further examined from the perspective of land ownership and that of livestock ownership. Both land and livestock's are important assets of the targeted communities. Further, even with livestock, one has to make a distinction between various types of livestock. This is because, in some society's there is a belief that larger animals as male should own oxen, whereas, smaller animals such as sheep and goat should owned by women. Table -2, below shows the ownership status of men and women in the targeted community:

Table -2 who owns what/ asset

<i>assets</i>	<i>Male n= 140, %</i>				<i>Female n= 246 %</i>			
	<i>Male</i>	<i>Female</i>	<i>Both</i>	<i>Total</i>	<i>Male</i>	<i>female</i>	<i>Both</i>	<i>Total</i>
<i>Land</i>	57.6	12.3	30.1	100	44.5	4.3	51.2	100
<i>oxen/cow</i>	83.1	3.6	13.3	100	72.3	12.4	15.3	100
<i>Sheep/goat</i>	23.5	49.6	26.9	100	34.2	22.3	43.5	100
<i>House</i>	67.9	14.3	17.8	100	66.3	21.1	12.6	100
<i>Poultry/chicken</i>	26.1	68.9	5	100	14.2	74.9	10.9	100

Source: Survey result.

As the above table portrayed, both female and male respondents has asserted that men (83% and 72% respectively) predominantly own livestock such as oxen. However, the vast majority of both men and women respondents have stated that women predominately own poultry/chicken. Both men and women in the respective communities confirm this view during the focus group discussions.

In regards fixed assets such as land and house, the majority of men respondents' (57.6%) belief that women do not own land in their locality, whereas, the majority of women (51.2%) said, land is owned by both men and women. In regards house ownership, 67% of men respondents said, it the men who own houses in their localities, whereas, 66 % of women has also give their conformation that men own houses.

The majority of both female and male focus group discussants argued that even if women and men have the legal right and certification to own land together, in practice, it is the men that control the land by employing different techniques and manipulation. With regard to houses, discussants stated that in their culture it is the male that built the house and bring the wife from other locality. Because of this, according to them, the female do not have much liberate to exercise house ownership power.

The above analysis has a certain indication. Even if the data clearly show that women ownership statues as well as their attitude towards dual ownership of assets are improving, key productive resources such as land and oxen are still controlled by the male. This may have a profound effect

in their endeavor to access financial resources and engaged in business activities. This is because; these assets are major sources of revenue and capital for the local community.

Decisions on expenditure and freedom of mobility

In regards decisions on household expenditure, three different kinds of expenditures were assessed: expenditure on livestock and livestock products; food and clothing and meeting expenses of social obligations. Furthermore, the level of freedom of movement is also given due emphases.

In regards the sale of livestock, the overwhelming majority of women respondents (67%) and male respondents (51.4%) stated that it is men that can decide on the sale of livestock, particularly if the livestock is oxen, sheep or cow. However, if the sold items are poultry and livestock products like milk and butter, close to half of the women stated that they too have decision-making power. In relation to the sale of grain, the overwhelming majority of both men and female respondents said, the male predominately decides.

The findings show some similarities with regard to decision-making power over household expenditures. On clothing, the majority of the respondent women said that it is men who decide on this kind of expenditure. A small proportion of the respondents also reported that there is joint decision making on clothing.

For social obligations (idir and iqube and different contributions) too, it is the decision of both men and female according to the majority of respondents across a categories of groups. The men also believe that they have control over decisions regarding household expenditures as well as health and education related expenditures.

Mobility of women, that is, ability to decide on one's movements is another measure of decision-making power of women. The majority of women (74.2%) said that they are not allowed to travel freely. The men also confirm this view.

There appears to be a corollary between what the men and the women think in terms of who decides on household expenditures. The women think that it is the man who dominates in terms of decisions regarding various kinds of expenditures and this view is supported by the majority of the men. Although in some instances when the women attributed some expenditure to joint decision making, the men said it is their exclusive domain.

Gender division of labor, work burden

Strict gender division of labor characterizes the gender relation in the communities where the study was undertaken. Women are assigned to carry out both the reproductive and productive work while men engage in productive activities outside of the house. In addition to reproductive activities, according to focus group discussions conducted within communities, women also engage in income generating activities to augment their incomes. The reproductive and productive activities imply that the work burden among women is quite high and hence putting time pressure on women. As a result, women have limited time to participate in development interventions such as MF. This finding is also supported by data from the survey administered to community participants. The majority of the respondents, both men and women, stated that reproductive functions are mainly the job of mothers and daughters in the household. About 57% of the men and women confirmed the above conclusion. About 26% of the respondent women stated that it is the job of mothers.

Further, according to respondents, the gender division of labor has meant that there are expectations from family members (husbands and parents) regarding the responsibilities women need to discharge at home before engaging in other activities outside of the house. These responsibilities include cooking, cleaning, taking care of children and the elderly, attending to the needs of their husbands when they come home and similar reproductive activities. These expectations, according to women FGD participants, force them to limit their activities outside of the house. The survey findings show that close to 47% of the respondent women confirmed that their reproductive duty poses some form of challenge to participate in MF schemes. These include being not attending orientations (61%), absence of sufficient information (69.3%) and early drop out (23.1%) etc.

Participation in community affairs/organizations

The participation of women and men in community affairs is essential to raise their consciousness and get available information to effectively engage in a development intervention. Associations such as youth and women; self-help groups and different committees organized at kebele level are important arenas that help communities to engage in dialog and organized in groups for accessing resources.

Thus, it is viable to analyze women decision-making power vies,-a-, vies their level of engagement in community structures such as customary institutions, women's associations including self-help groups and committees at kebele levels.

In regards women's associations including self-help groups as well as kebele committees, the vast majority of the women (51.2%) and men (59.2%) respondents said that they do take part in these institutions. One has to note that this is a relatively new trend. In the past, it was very 'embarrassing/ shameful' to use the word of key informants, for women to come out for community meetings.

However, according to key informants of the community, women are usually not proactive to form associations. They stated that women are less active both in terms of forming associations as well as in engaging within associations where they are members. As such, they usually miss opportunities like the training that come through their associations. Further, the dropout rate of women from these associations is quite high. All of these contribute to making the pool of available women for recruitment to engage in to other opportunities is quite limited.

Diversification of client's economic activities

The diversity of economic activities that women/men are engaged in has an effect on the status of women participation in development interventions in general and MF in particular. The more women/men are involved in diversified economic activities, the better they succeed in their business and develop resilience to losses and shocks.

In this regard, to know the diversity of client’s engagement in economic activities, respondents were asked the type of economic activities that they are engaged in. Table -3, blow summarizes the answers of respondents:

Table -3: Diversification of economic activities (multiple responses)

<i>Respondents</i>	<i>Male n= 140</i>		<i>Female n= 246</i>		<i>Total n= 386</i>	
	<i>frequency</i>	<i>%</i>	<i>frequency</i>	<i>%</i>	<i>frequency</i>	<i>%</i>
<i>Crop production</i>	123	87.6	183	74.4	306	79.2
<i>Milk & butter production</i>	32	23.4	196	79.7	228	59.1
<i>Selling of milk and butter products</i>	18	13.5	139	56.7	157	40.6
<i>Selling of beverages</i>	3	2.3	72	29.3	75	19.4
<i>Others</i>	25	17.8	46	18.7	71	18.3

*Source: survey result. * Others include daily labor, salaried work*

As the above table indicates, men predominately are involved in crop production. Females, on the other hand are highly involved in a variety of activities, 74.4% in crop production, 80% in milk and butter production and 57% in selling of milk and butter products.

The majority of women FG participants, however, argued that even if women involves in a diversified economic activities, it doesn’t mean that they are benefitted from the income .They may not have enough liberty to use the income to improve their investments or to use it for any other purposes. Women key informants have also said that although women involvement in a diversified economic activities helps them to support their subsistence livelihood, it also increase their work burden and sometimes lead them to quarrel and conflict with their husbands. They said, for instance, if they could not manage to deliver lunch and dinner on time they may face rejection and beating from their husbands.

Thus, the above figures indicate that, engagement of women in a diversified economic activity may be useful in terms of giving additional income to support their livelihood .However; it may become the cause behind their time poverty and limits their engagement to other commitments.

Educational status

The household survey has indicated that educational status of clients has an effect on the nature of women participation in MF. The survey has shown that from the total respondents, 31.4% are illiterates, whereas, the remaining 69.6 % are found in a “can read and write” status category. Cross tabulation of the educational status with the two categories of respondents (male and female respondents) has showed that, 44.2 % of women clients don’t read and write and 29.2 % of males are also can’t read and write.

The above figures have indicated that almost half of the women that are engaged in SPFI program are illiterate which is much higher than men where one –third of them are illiterate. Studies have shown that, educated women have better information and confidence to engage in micro business activities. According to a study conducted by an ILO on women enterprisers in Ethiopia, lack of education and information are found out to be one of the major hindrances for women to be engaged in and succeeded in micro business activities.

The majority of FGD discussants have also reviled that those of women who have an educated husbands are seen participating more on MF programs .They further argued that it is the educated men and women that are seen to spend their money wisely; pay their debt according to the schedule and repeatedly take loan from the institution.

Key informants of the institution have also asserted that the majority of women and men that are currently participating in local level organizations like youth and women associations have at list some form of exposure to education. Such types of mass organizations are serving as requirement grounds in order to engaged communities in development interventions.

4.4 Institutional Factors Vs Clients Need

The assessed institutional aspects of the sampled institution (SFPI) includes its vision, mission, objective, focus and approaches; the service delivery mechanism; outreach vies-a -vies sustainability / operational and financial self-sufficiency; the targeting mechanism; the planning process; the type of products delivered and the nature of additional services that are provided.

To this effect, the MF approaches towards reaching /targeting women and the gender planning approach were used as a framework. The MF approaches are simply elaborate the reason behind targeting women/men as well as selecting the appropriate service delivery mechanisms and type of MF products, whereas, the gender planning approach focuses on consideration of gender issues in the planning process as well as the institutional capacity in terms of knowledge, attitude and systems to effectively implement gender sensitive plans.

Assessing SFPI from a gender perspective

Vision, mission and overall objective

The Specialized Financial & Promotional Microfinance Institution (SFPI) was legally registered at the national bank of Ethiopia in 1997 EC, in accordance with the proclamation No.40 1996. Initially, there were 8 shareholders of whom two of them are big banks and the remaining were enterprises and individuals.

The institution has the following vision statement:-

- Seeing the poor specially, poorer women become self -sufficient by providing credit;
- Poverty reduced in both urban and rural areas;
- Enterpriser and self-sufficient generation created.

To realize its vision, the institution has laid-down a mission that focuses on improving the socio-economic situation of the low-income poor people in its targeted areas. The following are the mission statements of SFPI:-

- Supporting and encouraging the poorer to become self -sufficient by caring out researches and facilitating both credit and saving schemes ;
- To improve the living conditions of the poorest of the poor by creating conducive environment;
- Build a sustainable economic and financial capacity of its clients;

- Support women and make them empowered.

With regard to its objectives, SFPI has the following objectives: - to support the effort of the poor in its endeavor to lift out of poverty by providing training, credit and saving services.

As it is noted from its vision, mission and objective statements, SFPI is focusing towards alleviating the poor from poverty and special emphasis is given to poorer women. In this regarded, SFPI can be categorized as a pro poor MF institution, more tilted towards serving the poorest of the poor, particularly women. It seems, it follows the poverty alleviation approach that targets women on the bases of that women are the majority of the poorest of the poor and play a vital role in maintaining the household well being (Mayoux, 2005; Robision, 2001).

Seeing the composition of its share holders however, particularly banks and individuals which have a profit driven character, it is obvious that the institution is also give due consideration on the issue of profitability as well as self -sufficiency both in terms of meeting its financial obligations and covering its operational costes. Table-4, below summarizes the overall accomplishment/performance of SFPI till end of, 2011.

Table -4 SFPI Performances till end of, 2011.

MFI	No of active borrowers	Present of women borrowers	Gross loan portfolio	Average loan balance per borrower	Voluntary saving	Compulsory saving
SFPI	33,335.00	56%	50,807,161.00	1524.00	3,429,885.00	18,483,752.00

Source: AMFI, 2013.

As the above table indicted, in terms of outreach (number of borrowers) and depth (addressing groups that are more vulnerable), SFPI performance is in a good shape. From the total borrowers, 56% of them are women .This is more than the average achievement at national level, where the coverage is stood at around 50%.

Come to saving, SFPI provides both compulsory (obligatory saving) and voluntary saving (not obligatory). Savings can help households to build up assets and use it as collateral. It also helps them better smooth seasonal consumption needs; finance major expenditures and self-insure against major shocks .From the perspective of the institution that provides the service, savings can help MFIs to fund a major portion of their loan portfolio with voluntary deposits.

SFPI saving portfolio indicated that there exist a wide difference between voluntary and compulsory saving. From the total saving, the share of voluntary saving is around 15%, which is less when it is compared to the average figure at national level, which is 72 %. SFPI is almost amasses its saving from the compulsory saving. The majority of its clients, that is, women as such do not participate in the voluntary saving schemes.

According to the 2013 AMFI report, SFPI is one of among the few MFIs that targets women (more than 50% coverage) as well as covering its operational costs and finical obligations (143% and 93% respectively) .When this is compared to that of the figure at national level, average operational self –sufficiency is stood at 119%, whereas, financial self- sufficiency is stood at 83%. In both cases, SFPI performance is more than the average.

In this regarded, as Khandker and Khalily (1995) argued that sustainability in general means the ability of an MFI to continuously carry out activities and services in pursuit of its statutory objectives. In the case of SFPI –it would mean the ability in addressing the poor, particularly women in both rural and urban areas sustainably. However, since MFIs are more and more viewing their financial services as profitable business, it is important to constantly look for possible cost reductions or sustainability and profitability of MFIs (ibid).

Key informant discussion heald with heads at branch and head office level has indicated that SFPI has been engaged in providing non-financial services like trainings to its clients. In the previous years (before 8 years ago), trainings like “Basic Business Skills” were given to clients before taking a loan or engaged in saving. These kinds of trainings were useful to build the confidence of clients, particularly women. However, in recent years, the service was canceled in order to reduce costs. This, according to them, has made a negative profound effect to attract

those clients that do not have sufficient information, experience and knowledge of business making.

Efficiency and productivity indicators are performance measures. Efficiency is measured by calculating borrowers per loan officer, that is, the number of clients each loan officer serves. In this regard, SFPI performance indicated that it costs 199 birr to serve a borrower on average, which is relatively less compared to the national average of 214 birr.

Productivity indicators reflect the amount of output per unit of input. In this regard, the loan officer productivity ratio captures the productivity of a MFIs loan officers- the higher the ratio the more productive the institution. The loan officer productivity ratio is calculating by dividing the number of active borrowers of an MFI by the total number of loan officers. The 2013, AMFI report shows that the productivity ratio of SFPI is 513, which is less than the national average, that is, 547.

These figures have indicated that on the one hand, SFPI is serving a borrower with less cost when it is compared to that of the average figure at national level, on the other hand, their loan officer's productivity is less when it is compared again to that of the national level figure. These results indicate that SFPI is better efficient and less productive when it is measured against certain indicators like performance of loan officers.

Studies have indicated that because women are seen overburdened due to their engagement in productive and reproductive activities, they are highly stricken by time poverty and may not have sufficient time to search and access services like MF. Thus, they need whatever kind of services at their doorsteps as much as possible. In this regard, coordinators at head office level say, it is preferable to provide services to beneficiaries at their doorsteps .This, according to key informants, pave the way for the poor to easily access our services. However, they argued that, to do this, the institution has to open additional branches, which in turn affect its efficiency and profitability.

From the above report based performance analyses, certain conclusions can be drawn about the performance of SPFI. First, more than 50% of its clients are women and the average loan balance per borrower is 1500, which is near to minimum loan ceiling allotted by most MFIs working in the country. Second, the institution is operationally self-sufficient and significantly financially self-sufficient. Third, it is efficient on serving much people with less cost and less efficient in terms of the loan officer performance.

However, a further analysis is demanded whether these achievements are materialized by addressing those targeted beneficiaries, that is, the poor and particularly poor women. For this, the following section tries to analyze the service delivery mechanism and the type of MF products delivered vis-à-vis the interests and needs of selected sample beneficiaries /women and men beneficiaries/.

Services and the service delivery mechanism

In order to fully grasp whether the targeted beneficiaries are included or not, the service delivery mechanism and the nature and type of available services has to be analyzed thoroughly. To this effect, beneficiaries knowledge /information about SFPI and the type of service it provides; the targeting and recruitment procedures; the type of collateral beneficiaries were asked, the loan size and the repayment period; the rate of interest rate and default handling mechanisms are given due emphasis.

Knowledge/information about SFPI

To begin with, sufficient information about an institution that provides service to community is important. It allows potential beneficiaries/customers to develop an interest and participate in the program. It also helps them to make a cost-benefit analyses before indulging on it. In this regard, a question was raised to respondents how the first time they got information about SFPI. The following table below presents the answers of respondents:

Table -5: how/from where first time got information about SFPI

<i>Respondents</i>	<i>Male n= 140</i>		<i>Female n= 246</i>		<i>Total n= 386</i>	
	<i>frequency</i>	<i>%</i>	<i>frequency</i>	<i>%</i>	<i>frequency</i>	<i>%</i>

<i>From SFPI</i>	53	38.2	59	23.9	112	29%
<i>From my husband wife</i>	23	16.4	101	41.2	124	32.1
<i>From neighbors</i>	45	31.9	73	29.7	118	30.5
<i>Others</i>	16	11.4	9	3.8	24	6.2
<i>No repose</i>	3	2.1	3	1.4	6	1.5
<i>Total</i>		100		100		100

*Source: survey result. * Others include Keble, Idir, Women and youth associations etc*

As the above table portrayed, men tend to be got their first hand information from SFPI (38%), whereas, women got their first hand information from their husbands (41.2%). Neighbors are also major sources of information for both female (29.7%) and male (31.9) respondents. This is aligned with the fact that because of their gender relations at household and community level (which obliged women to have high work burden and limits their leisure time); women have less chance in accessing institutional information when they are compared with men.

Key informant interview carried out with branch level staffs and community leaders have found out to be in support of the above argument. According to them, in most cases, women do not have time to attended meetings and trainings organized in their localities. Always, it is the husband or the elder child that represent his family in any local or official gatherings.

A further question was also raised to respondents to analyze whether they have sufficient knowledge about the type of service and the way services are provided by SFPI before joining the program. The majority of male respondents (51.7%) say, they were thinking that SFPI provides only credit services. Similarly, 84% of female respondents answered that they were assuming that the institution were only provides credit services. This shows that in both cases beneficiaries , particularly women have been thought that SPFI provides only credit services .There had been limited knowledge regarding on the delivery of other services such as saving and non-financial services like trainings and orientations. This limited knowledge on the type of services that is provided by SFPI may have a contribution to the low level of performance that is observed on saving by the institution.

Targeting/ Requirement and Application procedures

As it is mentioned in the vision and mission statements of the institution, women are given a special emphasis. However, in the loan eligibility criteria of SPFI, there are no as such vivid criterion that attracts women better than men to participate in the program. In fact, some of the criteria that have been mentioned are seen as major hindrances for poor women to join the MF program. The SPFI loan eligibility criteria's are the following:-

- Economic status : clients should be active poor (those who are poor and can work) ;
- Ability and willingness to work;
- Credit worthiness and well personal conduct;
- Willingness to take loans on peer group collateral ;
- Have Permanent residency in the operational area.

For those applicants who want to take loan individually, they are expected to forwarded houses, cars or their salaries with the approval of the employee as collateral.

According to focus group discussants, especially women participants have argued that among the four eligibility criteria's, two of them are found to be problematic- credit worthiness and willingness to participate in peer groups.

Participants have said that, loan officers and their collaborators like wereda Women and Youth offices are seen to prefer those women who have registered land on their name; own oxen or cow or married. "This is what they mean credit worthiness"? , According to FGD participant's. Key informants of the institution are also indirectly asserted the above notion. They said that if clients have something tangible assets on their hand, the possibility of defaulting is become minimal and even if there is a default, there is a high possibility that the institution can easily reclaim it.

In the case of willingness to participate in peer groups, again the majority of FG discussants has revealed that the poor potential clients, particularly women are been seen facing a challenge to join in a group. In most cases, the better off are not allowing the poor to join them and form a

group. This and additional gaps like lack of sufficient information has been seen prohibiting the poor including women from joining the MF program.

In spite of having limitations on the eligibility criteria and information gaps, figures show that majority of SFPIs clients are women. To further analyze the situation, questions were raised to measure the economic status of clients from among their peers in their localities .According to the rural development and agricultural offices of the two sampled weredas, land holding size and number of oxen/cow are among the major items that is used to measure the level of poverty in their local contexts. Accordingly, whomever that own less than one hectare and cow/oxen can be categorized as poor. Based on this, the sampled respondent’s wealth status is summarized in the following figures:

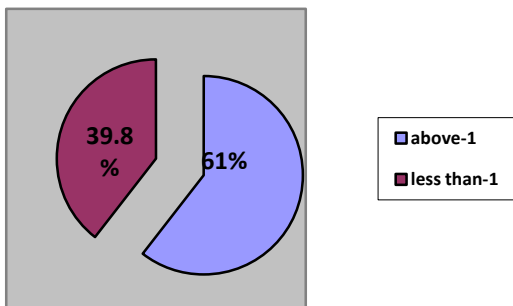


Figure -2 Land holding size /Female respondents

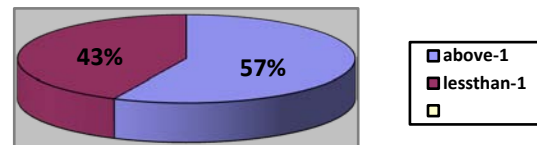


Figure-3 Land holding size/male respondents

As the above figures indicted, the majority of female respondents (61.2%) has at list owned one hectare and above land .In the case of male respondents, 57% of them owned again one and above hectares of land. This indicates that the majority of both male and female clients are belonging to the well off sections of the society.

With regard to ownership of oxen /cow, 54.3% of female respondents are said that they have at list one and above one oxen /cow and 59% of male respondents in their turn are said that they have at list one and above one oxen /cow. Similar to the land holding status, the majority of both male and female clients are relatively in a better position within their community. Studies have indicated that women represent the majority of the poorest of the poor. According to a UNDP

report, among those 1.3 billion people living on less than a dollar a day, 70% of them are women (UNDP, 1995). The same can be applied to women in Ethiopia.

The survey result however, gave the opposite picture. In the majority of cases, the better off women/men are clients of SFPI. Here, not only women are the majority clients but they are also belonging to the better sections of the society. The logical questions that follow is, therefore, what looks like the selection/requirement procedures?

In addition to the eligibility criteria set by the institution, there are other determinant factors that influence the recruitment process. According to the manual that guides staffs and loan officers at branch level; the institution has set a target of reaching 85% of its clients to be women. In addition, the more a loan officer recruit woman the better reward it gates in terms of salary and other benefits.

Furthermore, loan officers argued that there is a belief in the institution where woman should be targeted not only because they represent the majority of the poor but makes the institution efficient. This is because, according to them, accessing women are easy and women are credit worthy, that is, they are disciplined and repay their debt on time. This thinking is more alienated with the assumption of the financial self-sustainability approach, which favors women on the bases of efficiency.

Key informant dissections held with loan officers and branch level heads has revealed that the above to factors, that is, meeting the set targets (85% of clients to be women) and the reward that follow and efficiency concern is pressurized the institution and its staffs, particularly staffs found at branch level to search for women clients at whatever cost.

Because of this, most public relation and awareness raising events are prepared in areas where women are found in mass – in women association and in Keble meetings. According to the key informants, in the majority of cases due consideration were not given to assess clients living status or whether they use the loan for their own purpose or they give it to other/relatives.

The majority of FGD participants have also argued that significant numbers of women beneficiaries of the MF service are join in the program because of their husbands/relatives pressurized /obliged them. In fact, when they are receiving the loan/ money or when they repay

their debt, it is the men that count the money and put in their pocket without hesitation and even in front of the loan officers.

The ILO study on women entrepreneurs in Ethiopia has indicated that the majority of Ethiopian women engaged in business that demands small amount of money, space and time like petty trading and small poultry related activities (ILO, 2006). Some MFIs are seen, prior to loan disbursement, they decide on the purpose of the loan use so as to prevent loan diversion (Mayox, 1997). Thus, the actual loan use can give a clue whether the loan use fall in the traditional gender division of labor between men and women or not.

In line with this argument, respondents were questioned to explain how they use their last loan. Their response is summarized in table -3 below:

Table -6: Purpose of loan use (multiple responses)

Main response	Male n= 140, %	Female n= 246 %	Total n= 386 %
<i>Purchase of oxen</i>	83.6	63.9	71
<i>Purchase of sheep, goat & poultry</i>	14.7	36.7	28.7
<i>Farm inputs/fertilizers & seeds</i>	57.6	51.1	53.8
<i>Household consumption</i>	12.3	17.3	14.3
<i>Others</i>	4.6	24.5	26.1

*Source: survey result. * Others include, credit payment, relaxation, medical expense etc*

The majority of both female and male respondents use their loan for purchase of oxen (63.9% and 83.6% respectively). Farm inputs like fertilizers and seeds are also taken significant portion of the loan expenditure. 57% of male and 51% of female respondent's has spent their loan on purchasing of farm inputs. Based on the traditional gender division of labor in the rural contexts of Ethiopia, male are observed to engaged in farm activities like plowing which demands oxen.

They have also sole responsibility to purchase and avail farm inputs, whereas, females are seen in engaging in household chores and small farm activities. In this regard, it is fair to argue that the loan taken by women may be diverted and used by their male counter parts.

Loan size, the service delivery procedures, interest rate and repayment period.

The amount of loan size, the service delivery procedures ,the amount of interest rate that is attached to credit and saving services and the repayment periods have different implications for men and women potential/actual clients of a MF program.

In SFPI, loans are provided in the form of “group loan or “individual loan”. In order to get a group loan, individual beneficiaries need to be organized in groups. A group serves as collateral to access credit. Starting from 1500 birr of initial ceiling, passing five repayment cycles, a group member can get 5000 -6000 birr at the final cycle, the maximum ceiling. Table -7, below presents the amount of loan size in each cycle:

Table -7: Loan size and cycle

<i>Cycle</i>	<i>Amount(birr)</i>
<i>1st cycle</i>	<i>1,500.00</i>
<i>2nd cycle</i>	<i>2,500.00</i>
<i>3rd cycle</i>	<i>3375.00</i>
<i>4th cycle</i>	<i>5000.00</i>
<i>5th cycle</i>	<i>5000.00</i>

Source: SFPI Manual

Regarding to procedures’ of taking a loan, SFPI has put the following producers:

- Contract must be signed between clients and the institution;
- If clients are married both spouses must sign the contract;
- Unless if there is a special case , loan is handed over to clients only at branch/ sub branch level ;
- It needs to wait at list a minimum of 5 and a maximum of 15 days to get a loan ;

- Clients must be organized either in a group or present collateral in the form of land, car, salary or other tangible holdings.

Whether to see the amount of loan provided is suitable for men and women beneficiaries, respondents were asked to express their views in the adequacy of the loan size to engaged in or start a business in their local contexts. Client's response has indicated that around 34.4 % of women said it is adequate and the remaining 66% said it is not adequate. Concerning male respondents, the majority of them (94.6 %) are said, it not adequate.

FGD held with men and women respondents has revealed that let alone the amount of money paid in the first cycle (1500), the maximum amount allotted at the 2nd and 3rd cycles is not enough to buy a single oxen in their local contexts. Female discussants has also argued that most of the money is used to buy fertilizers and seeds but because of inflation, the price increment of these items has exceeded the allotted amount of credit by far. They further argued that with this amount of credit, it is difficult to start your own business and even if you start, you cannot get a good profit out of it.

Studies have indicated that if borrowers are poor and women, they prefer small loan size and they want to avoid default. When they are engaged in business, they go for small amount of marginal profit (Mayoux, 2005 and Berger, 1989). It seems that the majority of both men and women clients that are participated in the survey needs more cash, invest it and get good profit out of it.

It is interesting to note here that women clients have measured the adequacy of the loan size by taking farm inputs like oxen, fertilizers and seeds as a yardstick. These are traditionally men's engagement areas and concerns. Thus, this may strengthen the assumption that women may divert their loan to their husbands /relatives.

Studies done in different regions have confirmed the existence of loan diversion practice by women. In this regard, For example, while about 60 % of MF clients in Amhara region are women, surveys indicate that only about 40 % of women who receive MF actually use it on their own businesses. Another 55% use the credit in joint enterprises with their husbands (Bamlaku, 2006).

Concerning the service delivery procedures, particularly loan provision, respondents were asked to express the level of dissatisfaction on certain procedures. Table -5, below summarizes their responses:

Table -8: Level of dissatisfaction on service delivery procedures

<i>Main response</i>	<i>High</i>		<i>Medium</i>		<i>low</i>	
	<i>Male n= 140, %</i>	<i>Female n= 246 %</i>	<i>Male n= 140, %</i>	<i>Female n= 246 %</i>	<i>Male n=140, %</i>	<i>Female n= 246 %</i>
<i>Signing of contacts</i>	23.1%	27.7	19.3	20.6	58.9	52.1
<i>Signing of contracts by both spouses</i>	62.5	69.7	12.4	18.6	26.8	11.4
<i>Handing over loans at branch & sub branch level</i>	22.3	47.8	38.3	39.7	32.1	188.2
<i>Amount of time needed to process & get loan</i>	56.7	49.1	32.1	27.1	16.7	10.7
<i>Group collateral</i>	62.1	84.1	36.2	11.1	2.0	8.2
<i>Total</i>	100	100	100	100	100	100

Source: survey result.

As the above table portrayed, women are dislike more group collateral (84%), co-signing of contract with their husbands (69.7%) and days needed to process and gain loan (49.1%) respectively. Men on the other hand, dislike more- co-signing of contacts with their wife's (62.5%); group collateral (62.1%) and days to process and got loan (56.7%) respectively. It is noted here that both male and female respondents dislike similar service delivery procedures with different variations. Women are tend to be dislike group collateral, whereas, male are dislike more the singing of contract with their wife's.

To further scrutinize the issue, discussions were held separately with male and female FG participants. Their response has aligned with the above result. The majority of male discussants said that they do not like to take loan with the approval or knowledge of their wife's. This is because, according to them, it is their responsibility to work and repay the debt after all. They further argued that even when loan is taken in the name of their wife's, it their responsibility to take and manage the money and pay their bill.

The majority of women discussants on their part have said that they do not like the co- signing, especially if they have a plan to invest the money by their won and according to their interest. In

some cases, their husbands forced them to give a portion of their loan money for enjoyment/Yefntir or divert the lone and use it for other proposes. Some discussants also argued that sometimes they are obliged to give bribe to get their husbands cooperation to sign.

As of group collateral, the majority of both male and female respondents raised their concern on that forming a group and attending regular meetings consume a lot of time. There is also difficulty to gather and form a group with people of similar character and economic status .Most of them say, they are not willing to take risks for paying the debt of defaulters' that could be found in their group.

Key informant discussions heald with branch heads and loan officers has further reviled that form the institution perspective, organizing clients in a group is server as a collateral for the institution to secure the repayment of the lend money. Therefore, they say, it is a necessity to be organized in a group for those potential clients who are not in a position to provide other forms of collateral by their own.

With regard to the procedure of co-signing of husband and wife, key informants said that, from the legal point of view, the law obliged them to notify about the loan to both the husband and wife and make both of them liable to their dept. From the institution point of view, it increases the chances of recollecting their money because they said, “it is better to liable two people instead of one.

Interest rate and repayment period

According to the manual of SFPI, the board of directors determines the amount of interest rate. The criteria to determine the ceiling of the interest rate include: - cost of running the business, the level of competition among peers involved in the business and the trend in inflation .Based on this, the current amount of interest rate is set as follows: for loan repaid within a month period the interest rate is 16%; if the repayment period is between three and six months, the interest rate becomes 20% and for a loan to be repaid within a year, the interest rate is 24%.

The repayment period is also classified as short and medium term. The short-term period is where the repayment period is between 12 and 18 months. The middle term has a repayment period of 24-30 months. Loan for agricultural purposes has to be repaid within 12 months .Loan

for animal husbandry and fattening has to be repaid between 3-6 months. Loan for consumption of goods has to be repaid within 24 months.

By all standards, the interest rate is very high. In fact, some of the big pro poor MFIs like ACSI have a 15% lending interest rate. In this regard, respondents were given a chance to respond on the amount of interest rate that is levied on them .The result of the survey has shown that almost more than 86 % of both male and female respondents has said, it is very high.

With regard to the repayment period modality, a question was raised to respondents about the repayment period modality of their last loan. 81% of male respondents and 79.2 % of female respondents has repaid their last loan at the end of the loan period (12 months) with the interest rate of 24%. A further question was raised on the reason behind paying their debt on yearly bases and with high interest rate. The responses are summarized in the following table below:

Table -9: reasons for paying debt on yearly bases (multiple response)

<i>Respondents</i>	<i>Male n= 140, %</i>	<i>Female n= 246, %</i>	<i>Total n= 386, %</i>
<i>Get income on a yearly bases</i>	<i>75.7</i>	<i>71.2</i>	<i>73.1</i>
<i>It gives me time and to engage to other activities</i>	<i>38.8</i>	<i>21.4</i>	<i>54.2</i>
<i>Use the money to other activities</i>	<i>47.9</i>	<i>21.3</i>	<i>28.6</i>
<i>Don't have time</i>	<i>2.1</i>	<i>1.3</i>	<i>3.9</i>
<i>I am not responsible for paying the debt</i>	<i>14.3</i>	<i>38.1</i>	<i>29.4</i>
<i>No response</i>	<i>1.9</i>	<i>16.9</i>	<i>11.4</i>

Source: survey result.

The majority of both female and male respondents (more than 70%) have said that the reason for repaying their last loan within in a 12 months period and with high interest rate is because, they get their income on yearly bases.38.1 % of female respondents on their part has said, I am not responsible for paying the debt . 47.9% of the male respondents use the money to other activities and they wanted to buy time. Since most of the loan is invested on farm and related activities, it obvious that their investment return will come on a yearly bases or at the end of the harvest season. Significant number of women clients, even if they took the loan on their name, it is their husband's responsibility to decide when and how the loan should be paid.

Focus group discussions held with male and female respondents have also revealed that the majority of them take their loan for farming purposes and collect their investment return during the harvest time, which comes on a yearly basis. They said that we do not have much alternatives to pay the debt by annually or on quarterly bases.

Key informant interview held with loan officers has asserted that in most of the time even female clients tend to invest their loan in farm activities either alone or in most cases with their husbands. As loan officers, they said, it is easy for us to collect the debt at once with limited cost and with high profit margin when it is paid on yearly basis and at once. They argued that this kind of approach when it is seen from the business point of view, it is a good approach that increases institutional profit.

Saving

Saving is one of the MF products that is provided by SFPI. Both compulsory and voluntary savings are provided with an interest rate of 5%. According to the saving policy of the organization:

- Every loan receiver must compulsorily save before taking a loan ;
- Every loan receiver ,till it fully paid its debt ,it can't use the compulsorily saved money;
- For group loan receivers ,unless every member of the group fully paid its loan, no group member allowed to use the saved money;
- Every new credit receiver must save 5% from the total amount of money that is going to be lend
- Every credit receiver must save six birr in each month.

The SFPI performance report indicates that the level of saving, particularly voluntary saving is very limited. Key informant interview that is carried out with branch level heads has revealed that the reason behind the low level of voluntary saving is because, people discouraged by the amount of interest that is paid to their saving. According to the key informants, the majority of

clients are heard when they raised their concern on the discrepancy between the fast rising of the cost of living and the amount of interest that is paid by SFPI.

The gender role that is witnessed between men and women in a given society is primarily determined by the decision-making process and ability at household level. In most cases, studies have indicated that women have less authority on income expenditure. In addition to this, the way saving related services are provided by a MFI has also an effect whether women/men to participate in saving schemes. In this regard, to appreciate the views of men and women clients, sampled respondents were asked the areas that dislike most about compulsory saving. Table-10, below presents the summarized view:

Table -10: most dislike about compulsory saving (multiple)

Responses	Male n= 140, %	Female n= 246, %	Total n= 386, %
<i>It decrease the share of investment</i>	57.4	44.6	49
<i>It is done against my will</i>	34.1	12.7	20.4
<i>It has low interest rate</i>	41.3	20.1	20.2
<i>Not allowed to take it as the need arises</i>	32.4	73	58
<i>Others</i>	14.3	23.4	20.2
<i>No repose</i>	12.1	17.9	15

Source: survey result.

As the above table indicates, the majority of women (58.4 %) are against the rule that prohibit taking their loan when the need arises. On the male side, the majority of them (57.4%) are said it decrease the share of investment. 44.6 % of women are also share the same concern of men that it decreases the amount of money that is needed for investment.

Low interest rate for their saving is also one of the major concern for male respondents (41.3%). It is interesting to not here that female clients are more concerned on taking their saving when the need arises. This may be related to their reproductive role, that is, in most cases females lack cash at their disposal that can be used for emergency cases such as covering the cost of mid care for their offspring's.

Separate FGD held with male and female clients is in support of the above argument. The female discussants have raised their concern that unless there is a room to use our saved money like for example, spending on health care for our children ,just putting it in their coffin for a year is a waste of money, according to them .

Planning

As it is already stipulated in the outreach goal of the SFPI, women have been given a priority. Women have their own role-played and a need derive from it. In relation to MF too, their needs are diverse, context specific and change over time (Jonson and Rogaly, 1996). Thus, any development intervention in general and MF in particular has to address this changing women need in order to solve their problems. Planning as a development instrument is serving to accommodate women needs. Whether their needs are accommodated or not can be evaluated by assessing the outcomes of a MF intervention and beneficiary levels of satisfaction vies, - a-vies the type and nature of services.

With this back ground , the SFPI planning practice is assessed .Accordingly, institutional capacity to materialized gender planning and the current planning procedures and the tools employed have been given due emphases .

The institution has two types of plans, namely, short and long term plans. The short-term plan is mainly focuses on meeting the set goals of the institution on a yearly base. It is done at sub branch level and aggregated at head office level. Annual plan is included in the short-term plan.

The long-term plan has mainly focuses on long-term strategic goal of the institution. Under this plan, issues such as type of products and service delivery mechanism, marketing channel, institutional resources and capacity building, financing and financial management are determined. This plan is done by consultants in collaboration with staff members of the company and it serves as a base to prepare the annual plane as well as to amend it.

Institutional capacity to materialize gender planning

One of the issues that are given due emphases in the institution mission statement is women empowerment .In spite of this, discussion held with key informants of the company has revealed

that SPFI has no planning department, a research unit and a gender policy. Plans are made either by committee of expert's formed on ad hoc bases or by hiring consultants. The absence of a research unit has been affecting the type of MF products available to its clients and the service delivery mechanism. The intervention impact on the lives of its beneficiaries is not carried out regularly. This, according to the key informants, prevents them to design and regularly amend their different products that serve both the interests of their male and female respondents.

With regard to the availability of resources in terms of finance and manpower for the purpose of designing a gender sensitive plan, an in-depth interview with the institution head has revealed that most of the company's budget is directed towards loan disbursement and debt collection activities. Furthermore, trainings that are provided to its employees are mainly focus on book – keeping, accounting and dynamics of group formation. In relation to this, dissection held with loan officers and branch level heads has indicated that none of them so far are exposed to gender related trainings.

According to key informants, designing and provision of a diversified capacity building schemes to its staff demands sufficient resources in terms of cash as well as skilled manpower. The same is true to carry out research and impact assessment on regular bases. This obliged the institution to make much investment that may hurt its profitability.

Planning Practices of SPFI

According to key informants of the institution, it is in the strategic plan preparation stage that efforts are made to incorporate clients view and comments, particularly women. In this regard, the overall planning framework provides some room for women to participate in the strategic plan preparation. Women are participated in surveys and FGD discussions.

Certain procedures are followed to prepare annual plans. First, previous performances, particularly the last year performance is assessed. Second, current economic situations such as the expected amount of additional fund that may be available, inflation trend and the expected level of interest rate are assessed. Finally, yearly plan is prepared in consultation with staffs at different level.

When previous performances are assessed, due consideration is given to the performance of both male and female clients. However, information's is not disaggregated on the bases of gender in detail. It is only found in certain indicators like measuring the performance of outreach.

Chapter -5. Conclusion and Recommendation

5.1 Conclusion

In this paper, the researcher has tried to understand the socio – economic and cultural aspects of the targeted community for the purpose of analyzing gender relation and its effects on women/men access to and control over financial resources. Similarly, institutional approaches to provide services and the nature of financial products that are delivered were also thoroughly assessed in order to see their effects on women and men beneficiaries. From the findings, three bored conclusions can be drawn.

First, the socio- economic and cultural aspects of the targeted community has shown that there is unbalanced gender relation in the targeted community. This has found out to be major hindrance for women to genuinely participate in the MFP.

In regards to ownership of assets, male predominately controls the main productive resources like land and oxen. Women have limited options of ownership like poultry and selling of animal byproducts such as milk and better .Thus, their investment options are found out to be minimal. Adding to this, women have also limited decision-making power and freedom of mobility. Their engagement in the decision making process is limited to matters of minor importance. Their freedom of movement is also limited because males do not permit this. Limited decision-making power and freedom of movement has discouraged women to fully involve in activities outside the home.

Women are also appears to be stricken by time poverty. Their engagement on both reproductive and productive activities results in shortage of time. Furthermore , there is expectations form the side of the husbands and other members of the family to get services on time .These expectations together with shortage of time has forced women to limit their activities outside of the house .

Second, institutional factors such as the type of MF products and the way services are provided are not found out to be aligned with women needs. Compare to men, more women are found out to be against the method of service delivery.

Women have limited information and knowledge about the type of services that are provided. Loan eligibility criteria such as credit worthiness are open to subjective judgments. In practical terms, entitlements to ownership of assets are major standards of measuring credit worthiness, which is found to be against the interests of the majority of women beneficiaries.

Loan delivery procedures like dual signing of contracts by both husband and wife are also found out to be against the wishes of women clients. In fact, it makes them dependent on the male/husband's willingness to participate in MF schemes. It strength the stereotype about men to women relationship rather than liberate women form male domination. High interest rate for lending and low interest rate for saving are also seen discouraging women, particularly the poor form gating the services.

Third, there seems to be lack of compatibility between meeting the set goal of becoming financially and operationally self-sufficient and at same time reaching the poor which women constitute the majority. Performance indicators of the institution have shown that, SFPI is more than the national average in attaining both financial and operational self-sufficiency. In terms of outreach, more than 50% of its clients are women.

These achievements are recorded in spite of the fact that there existed widespread gender imbalance in the targeted community and unfavorable institutional approaches and MF products that are against the interests of the majority of women clients'. Furthermore, there is week institutional structure as well as resources allocation to make a gender sensitive plan. Staffs are not accustomed to gender related trainings. Additional non-financial services like trainings to beneficiaries are sized to be delivered to reduce cost. Furthermore, most women /men clients are represent the better off section of the society. Little effort has been observed by the institution to identify whether the actual loan takers are women or men .The majority of women are found out to be pressurized by their male counterparts to take the loan and give it to them .In fact, the

nature of most investments done by women are also found out to be beyond their traditional engagement area.

Thus, it seems that financial and operational self-sufficiency is achieved on the bases of cost reduction, targeting the well to do and with setting high marginal profit as a goal. The existence of sheer number of women in the program seems camouflaging that women are found out to be the majority of the beneficiaries.

5.2 Recommendations

Based on the aforementioned findings, the following recommendations are forwarded:

- ✓ Achieving the dual objectives of the institution (serving the poor and guarantying operational and financial self-sufficiency) need to be given equal emphasis.
- ✓ Capacity should have to be build so as to materialize the main goal of the institution, namely serving the poor particularly women. Specific strategies and methodological tools need to be designed and applied. To do this, sufficient resources in terms of finance and manpower need to be allocated; staffs have to be equipped with the necessary technical know-how on issues of gender and planning.
- ✓ MF and financial products and the service delivery mechanism should have to be demand responsive. There need to be a room for some flexibility so as to address the various interests of its clients. To do this, the targeted population should have to be given the chance to provide their views.

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Annex -1 Instruments of data collection

Interview Guideline No.1 Survey Questioner, Designed to Study “

“The hindrances that affect Women Participation in MF”

Indira Gandhi National Open University (IGNOU)

Introduction

- 1) Greet the person that you are interviewing , and introduce yourself
- 2) Explain from where you are coming and the purpose of the study
- 3) Ask if the person you are speaking has any questions for you before continuing
- 4) Ask the respondents are willing to be interviewed. If they agree start the interview .if the respondent is not willing, move to the next home.

I- Identification

Questioner Code -----

Enumerator name ----- Date of Enumeration-----

Name of supervisor -----

Name of Peasant Association (Keble) -----

Respondent: 1) active client 2) Drop out (circle as appropriate)

II- Demography Information(circle as appropriate)

2.1 Gender 1) Male 2) Female

2.1 Age 1) 18-30 2) 31 -41 3) 41 -51 4) above 51

2.3 Marital Status 1) Married 2) Separated /divorced 3) widowed 4) single

2.4 Main Occupation 1) farmer 2) house wife 3) trader 4) other-----

III – Socio economic and culture related information (circle as appropriate)

3.1 In your community who owns/controls the following assets mostly?

- 1) Land a) Male B) Female c) Both
- 2) Oxen/Cow a) Male B) Female c) Both
- 3) Sheep/Got a) Male B) Female c) Both
- 4) House a) Male B) Female c) Both
- 5) Poultry/chicken a) Male B) Female c) Both

3.2 In your community/HH who decides on the purchase/sale of the following items/ social obligation and movement from place to place?

- 1) Sale/purchase of livestock /cattle a) Male B) Female c) Both
- 2) Sale /purchase of grain a) Male B) Female c) Both
- 3) Purchase of close a) Male B) Female c) Both
- 4) Sale of milk and butter a) Male B) Female c) Both
- 5) Paying for social obligation a) Male B) Female c) Both
- 6) To move from place to place a) Male B) Female c) Both

3.3 In you community what looks like the gender division of labor?

- 1) Farming a) Male B) Female c) Both
- 2) Food preparation a) Male B) Female c) Both
- 3) Caring for children a) Male B) Female c) Both
- 4) Marketing a) Male B) Female c) Both

3.4 Does your work load affect you to participate in MFP?

1) Yes a) Male B) Female c) Both

2) No a) Male B) Female c) Both

3.5 If your answer is yes in what ways you are affected?

1) Not attending orientations a) Male B) Female c) Both

2) Absences of sufficient information a) Male B) Female c) Both

3) Early drop out a) Male B) Female c) Both

4) Not participating in MFP a) Male B) Female c) Both

3.6 do you participate in CBOs?

1) Yes a) Male B) Female

2) No a) Male B) Female

3.7 If yes in what kind of CBOs do you participate?

1) Keble committees a) Male B) Female

2) Self help groups a) Male B) Female

3) Women/youth associations a) Male B) Female

4) 1/5 arrangement a) Male B) Female

IV- Information about the service delivery Mechanism and financial products

4.1 How/ from where you got your first time information about SFPI?

1) From SFPI a) Male B) Female

2) From my husband /wife a) Male B) Female

3) From Neighbors a) Male B) Female c) Both

4) Other a) male----- B) -----

4.2 Land holding size

1) Male a) less than 1 hectare b) 1 hectare c) above 1 hectare

2) Female a) less than 1 hectare b) 1 hectare c) above 1 hectare

4.3 Oxen ownership status

1) Male a) less than 1 b) only 1 c) above 1

2) Female a) less than 1 b) only 1 c) above 1

4.5 Main purpose of loan use?

1) Male a) purchase of oxen B) purchase of sheep /goat /poultry c) Farm input/fertilizer
d) HH consumption

2) Female a) purchase of oxen B) purchase of sheep /goat /poultry c) Farm
input/fertilizer
d) HH consumption

4.6 Level of dissatisfaction on service delivery procedures

1) Signing of contracts

Male a) high b) medium 3) low

Female a) high b) medium 3) low

2) Signing of contracts by both spouses

Male a) high b) medium 3) low

Female a) high b) medium 3) low

3) Handing over loans at branch and sub branch level

Male a) high b) medium 3) low

Female a) high b) medium 3) low

4) the amount of time needed to process & loan

Male a) high b) medium 3) low

Female a) high b) medium 3) low

5) Group collateral

Male a) high b) medium 3) low

Female a) high b) medium 3) low

4.7 Is the amount of interest rate that you are paying is high?

1) Male a) yes B) no

2) Female a) yes B) no

4.8 How do you pay your last loan/loan period?

1) On quarterly bases a) male B) female

2) Biannually a) male B) female

3) Yearly a) male B) female

4) Above a year a) male B) female

4.9 Reasons for paying debt on yearly bases (multiple responses)?

1) Get income on a yearly base a) male B) Female

2) It gives me time and to engage to other activities a) male B) Female

3) Use the money to other activities a) male B) Female

4) Don't have time a) male B) Female

5) I am not responsible for paying the debt a) male B) Female

4.10 Most dislike about compulsory saving (multiple)?

1) It decrease the share of investment a) male B) Female

2) It is done against my will a) male B) Female

3) It has low interest rate a) male B) Female

4) Not allowed to take it when the need arise a) male B) Female

5) Other a) male----- B) Female-----

Thank you

**Annex-2 Interview Guideline No.2 KII guideline, Designed for concerned officials,
branches and sub-branch heads and loan officers)**

Indira Gandhi National Open University (IGNOU)

1. Availability of gender policy or guideline, researchers or studies on women needs?
2. The nature and type of planning?
3. Planning procedures, methodological tools, and information gathering mechanisms?
4. Institutional capacity towards materializing gender planning; the availability of planning and research unit, resources in terms of humans and financial)?
5. The level of client's participation in planning, particularly in the design of micro finance and financial products?
6. How and when plans are revised?
8. Factors considered when plans are revised?
9. Budget allocation?
10. What kind of trainings are provided and how regularly?
11. Who involved in gathering information that serves as an input for revising plans?
12. Principles of targeting?
13. Targeting, selection criteria and its implementation?
14. Problems related to targeting?
15. What are the services delivery mechanisms?
16. The motive behind reaching /targeting women?
17. Institutional approach towards women?

18. The nature of cooperation and coordination with stakeholders?
19. Major constraints towards addressing women?
20. Achievements and short comings of MFI?

Thank you.

**Annex-3 Interview Guideline No.2 FGD guideline, Designed for community
representatives**

Indira Gandhi National Open University (IGNOU)

1. Have you ever been participate in consolations carried out by the company?
2. How do you evaluate the targeting (selection practice of the company)?
3. By what criterion you are joining the MF intervention?
1.-----
2.-----
3.-----
4. How do you evaluate your knowledge (availability of information) regarding the service provided?
5. How do you evaluate the service delivery mechanisms of the company?
6. Are the MF and financial products computable with your needs?

7. How information are gathered and by whom?
8. Tell us about your relationship with the wereda loan committee?
9. Tell us about the nature of decision making and division of labor in your HH?
10. In your opinion what are the major problems faced by women to access and benefits from MF?

Thank you